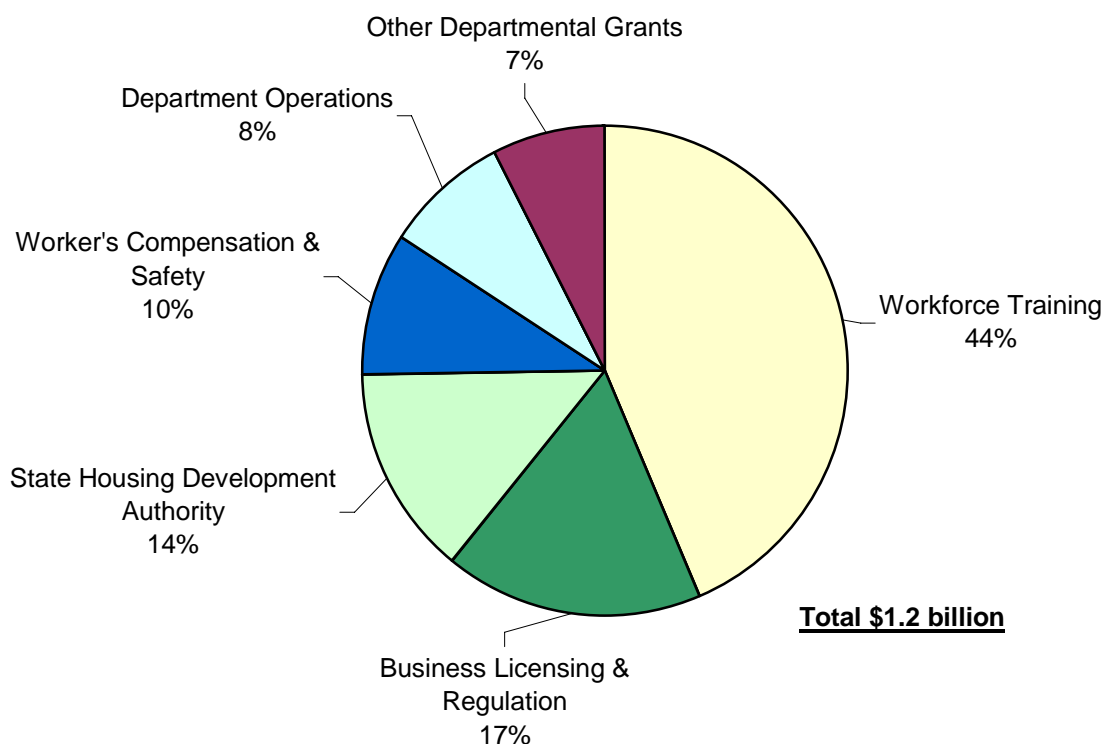


Department of Labor and Economic Growth

The Department of Labor and Economic Growth is committed to strengthening Michigan's skilled workforce and safeguarding the economic welfare of Michigan citizens through business licensing and regulatory activities. Through the establishment of programs such as the Regional Skills Alliances and the Michigan Opportunity Partnership, the department is focused on aggressively targeting workforce development programs to meet the needs of business and industry, and providing rapid-response training programs to match skilled workers with immediate job openings. *The Governor's proposed budget for fiscal year 2007 recommends \$1.2 billion, of which \$47.4 million is general fund.*

DLEG Budget Supports Workforce Training Efforts



Budget Highlights - The fiscal year 2007 Executive Budget:

- Provides \$119 million for local Job Training Programs, of which \$4.4 million is general fund. The \$4.4 million in general fund is added to replace federal Reed Act funds, which are no longer available.
- Includes \$1.5 million in federal Workforce Investment Act funds to support Regional Skills Alliances. These collaborative alliances train citizens for careers in high-demand industries such as health care, education services, and financial services. The additional investment will expand the current network from 17 to 25 alliances statewide.

- Maintains current year funding for the Work First program at \$113.8 million, of which \$18.5 million is general fund. These funds are used to provide employment and training services to public assistance recipients. The Governor's budget also provides \$58.6 million for direct vocational rehabilitation client services and independent living assistance.
- Incorporates \$1.1 million in interdepartmental revenues from the Department of Human Services for a new Jobs, Education and Training (JET) pilot project. The intensive JET pilot is designed to reduce long-term welfare dependence through enhanced and integrated service delivery to public assistance recipients. This will be accomplished through a comprehensive intake process; family, employment and training services; and post-employment services and support.
- Includes \$20 million in state restricted revenues for the Bureau of Commercial Services for business licensing and regulation. A one-time \$3.1 million investment in information technology systems will continue the Governor's efforts to eliminate red tape and reduce processing time for new businesses seeking incorporation in Michigan.
- Enhances Michigan State Housing Development Authority's payments on behalf of low-income tenants to \$135 million.
- Recommends a total of \$10.9 million for fire protection grants to local communities, consistent with the fiscal year 2006 appropriation. The Governor's budget also includes \$6.3 million for the Bureau of Fire Services, which includes the Office of the State Fire Marshal, the Fire Fighters Training Council, and activities related to fire inspectors and fire investigation training.
- Proposes an increase in retail liquor license fees to generate an additional \$22.9 million in new revenue. Most of these fees have not been increased since 1976. The additional revenues generated from this proposal will be used for regulation of the retail liquor industry, resulting in an equal savings to the general fund.
- The Governor's budget also provides for the transfer of the Michigan Strategic Fund to the Department of Treasury, consistent with P.A. 225 of 2005, and the transfer of the Michigan Community Services Commission to better align its efforts with those of the Department of Human Services.

Fiscal Year 2006 Supplemental

The Governor recommends a fiscal year 2006 supplemental of \$32.6 million to re-appropriate federal Reed Act funds for improvements to information technology systems that facilitate the processing of unemployment benefits, and \$682,500 to support recently passed legislation for the regulation of private wastewater facilities and the payday lending industry.

**Fiscal Year 2007 Governor's Recommendation
Department of Labor and Economic Growth
(\$ in Thousands)**

	FY05* Appropriation	FY 06* Current Law	FY07 Recommended
GF/GP	\$42,361.9	\$38,078.9	\$47,436.7
All Funds	\$1,129,180.9	\$1,183,827.1	\$1,217,098.9
	% Change - GF/GP	-10.1%	24.6%
	% Change - All Funds	4.8%	2.8%

Activities	GF/GP	All Funds
GOAL: SUSTAIN AND CREATE BUSINESS INVESTMENT AND JOBS IN MICHIGAN		
Workforce Training	\$37,226.7	\$531,511.3
Business Licensing & Regulation	\$5,128.9	\$207,869.8
State Housing Development Authority	\$0.0	\$168,984.4
Worker's Compensation & Safety	\$0.0	\$117,601.1
Department Operations	\$1,381.1	\$100,221.8
Other Departmental Grants	\$3,700.0	\$90,910.5
*Adjusted for program transfers		
Total FY 2007 Recommendation	\$47,436.7	\$1,217,098.9

